

**MINUTES OF SPECIAL MEETING
ILLINOIS GAMING BOARD
March 26, 2003
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

A Special Meeting of the Illinois Gaming Board ("Board") was held on March 26, 2003. The Board met in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle for closed session.

The following Board Members were present: Chairman Elzie Higginbottom and Members Violet Clark and Gary Peterlin. Member William Dugan was present telephonically.

The meeting convened at 9:30 A.M. Pursuant to Section 2(c), paragraphs 4 and 11 of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Clark moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda (March 26, 2003) and relating to the following subject matter:**

- 1. Administrative hearings;**
- 2. Litigation involving Emerald Casino, Inc.; and**
- 3. Pending litigation and matters involving probable litigation.**

Member Peterlin seconded the motion. The Board adopted the motion by unanimous consent, and retired to closed session.

The Board convened its Open Session at 1:20 P.M.

Chairman Higginbottom announced that there are no items on the agenda for final action today (March 26, 2003). Chairman Higginbottom stated that the Board is making good progress in its negotiations with Emerald Casino, Inc. Chairman Higginbottom stated that the Board feels reasonably certain that it would have a resolution of this issue very soon. Chairman Higginbottom stated that the Board is progressing towards obtaining final documents that the Board would then be able to review in its final form in order for the Board to take final action. Chairman Higginbottom stated that the Board appreciates the public's patience as it goes through this very difficult negotiation.

Jerome Siegan, Attorney, was present on behalf 18 of the 23 statutory minority and women investors. Mr. Siegan stated that he just wanted to state for the record that on March 23, 2003, he forwarded a letter to the Administrator and Chief Counsel, that stated the position that his clients have regarding the proposed plan of reorganization. On behalf of his clients, Mr. Siegan asked that the Board strongly consider the arguments that were made in the letter.

John E. Dougherty, Attorney, was present on behalf of minority investor Shawn Gayle to express his concerns regarding the 10th license. Mr. Dougherty stated that he has no idea what the plan is, nor does he know whom the parties are that are involved in addressing the relationship of the minority interest. Mr. Dougherty stated that he does know that there has been a plan that has been filed in the bankruptcy court. Mr. Dougherty stated that there have been a number of comments from the media and elsewhere indicating that the minorities are “beggars at the table.” Mr. Dougherty stated that the minorities are not “beggars as the table.” Mr. Dougherty stated that the minorities are involved because the State created a monopoly in this industry with nine licensees, all of which do not include minorities as investors. Mr. Dougherty stated that when the issue came up about a tenth license, someone in the legislator thought it would be nice to “crack the door a little” to minorities, and it did so. Mr. Dougherty stated that minorities invested their own money, which has been at risk for a number of years. Mr. Dougherty stated that this plan, rather it be under the bankruptcy process or the plan from last summer, essentially forecloses minorities from pursuing any and all legal remedy that they may have arising out of the investments. Mr. Dougherty stated that his client’s position is that if there is going to be a sale, minorities should have an equal say in that sale. Mr. Dougherty stated that his client’s position is that if there is going to be a new purchaser, minorities should have the right to buy into the new deal. Mr. Dougherty stated that at this point of the game he has no idea who is negotiating the reorganization plan. Mr. Dougherty requested that before the Board makes a final vote that the Board include Mr. Dougherty and his client in the discussion.

Chaz Ebert, minority investor, was present to discuss her concerns regarding the 10th license. Ms. Ebert stated that she knows that negotiations have been ongoing regarding the 10th license; however, neither herself nor her attorney has been part of those negotiations. Ms. Ebert requested that the Board include her attorney and herself in future negotiations regarding Emerald Casino, Inc. Ms. Ebert stated that in some of the editorials that she has seen in the paper regarding the minority investors, the minority investors have been referred to as the “millionaire minorities who should be happy that they might get some of their money back.” Ms. Ebert stated that some of the minority investors who are involved have mortgaged their homes or are using their life savings. Ms. Ebert stated that she feels that no one has really been speaking out for the minorities and that at some point minorities should be able to tell their story. Ms. Ebert stated that she would like to have the opportunity to have a meeting with the Gaming Board and all of the minority investors and their attorneys before the Board takes final action.

Chairman Higginbottom stated that he has not received any correspondence from Ms. Ebert and asked if she has submitted any correspondences to the Gaming Board regarding her concerns.

Ms. Ebert stated that she has submitted correspondences; however, she has never received any input nor has she been invited to any meetings.

Administrator Parenti stated that he has Ms. Ebert's correspondence dated January 21, 2003. Administrator Parenti stated that because he is constrained by the rules regarding the negotiations, he can only say that all of Ms. Ebert's concerns have been fully discussed within the Board and within the negotiations.

Chairman Higginbottom announced that Member Ira Rogal has submitted his resignation. Chairman Higginbottom thanked Member Rogal for all of his input. Chairman Higginbottom stated that Member Rogal was a valuable part of the Board and that Member Rogal would be missed. Chairman Higginbottom stated that the Board wishes Member Rogal well in all of his future endeavors.

At 2:00 P.M., Member Clark made a motion to adjourn. Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,
Monica Thomas